



BUDGET PROCESS

Budget As Operating Plan

The budget for the City is an Annual Operating Plan serving as the guidebook for the fiscal year. It sets policy, identifies new initiatives and allocates the resources necessary to maintain City services and meet the objectives of the fiscal year. The fiscal year for the City of St. Louis runs from July 1 to June 30. In accordance with state law, the budget must be balanced when adopted.

Budget Basis

The General Fund and most special fund budgets are formulated on a modified accrual basis. Encumbrances, including outstanding purchase orders, are budgeted as expenses but revenues are recognized only when they are actually received. Enterprise fund appropriations including the Airport and Water Divisions are budgeted on a cash basis. Both expenditures and revenues are recognized when actually paid or received. The City's Comprehensive Annual Financial Report (CAFR) accounts for the City's finances according to generally accepted accounting principles (GAAP). This method differs from the budget basis primarily in that revenues are recognized when they are measurable and available as opposed to actually received and expenditures are recognized when the obligation is incurred rather than paid or encumbered. For this reason, the CAFR also contains financial statements expressed on a "budget" basis so that end-of-year results can be compared with the budget.

The Budget Process

- The budget process begins in the Fall when the Budget Division issues a request for departmental revenue estimates. The information submitted by the departments will be incorporated into the Budget Division's initial revenue estimate for the coming fiscal year.
- At the same time the department heads are asked to identify any new initiatives or programs so that they may be included in the budget planning process.



-
- In January, having arrived at a preliminary revenue estimate for the coming fiscal year and incorporating any new initiatives or areas that will experience an increase in costs, the Budget Division issues budget allocations to departments.
 - Departments respond by submitting their budget requests and service level information to the Budget Division.
 - In February, the Budget Division holds budget meetings with the departments and the administration to discuss budget requests and, where necessary, reconcile discrepancies between allocations and requests.
 - Revenue estimates are continually updated throughout this period. In March, departmental budget proposals are adjusted to reflect the latest revenue projections.
 - In April, the Budget Division prepares the budget document and submits its proposed budget to the Board of Estimate and Apportionment, (E&A) comprised of the Mayor, the Comptroller and the President of the Board of Aldermen. The Board of E&A reviews the proposed budget, holds hearings with departments and conducts a public hearing at which citizens may voice their concerns. Following the hearings, the Board of E&A may recommend changes to the proposed budget.

Next Steps - Charter Requirements

- The Board of E&A must submit its proposed budget to the Board of Aldermen not less than 60 days prior to the beginning of the fiscal year, or May 1.
- During May and June, the Ways and Means Committee of the Board of Aldermen conducts public hearings on each segment of the proposed budget prior to taking any action. The proposed budget is reviewed and then considered by the Board of Aldermen.



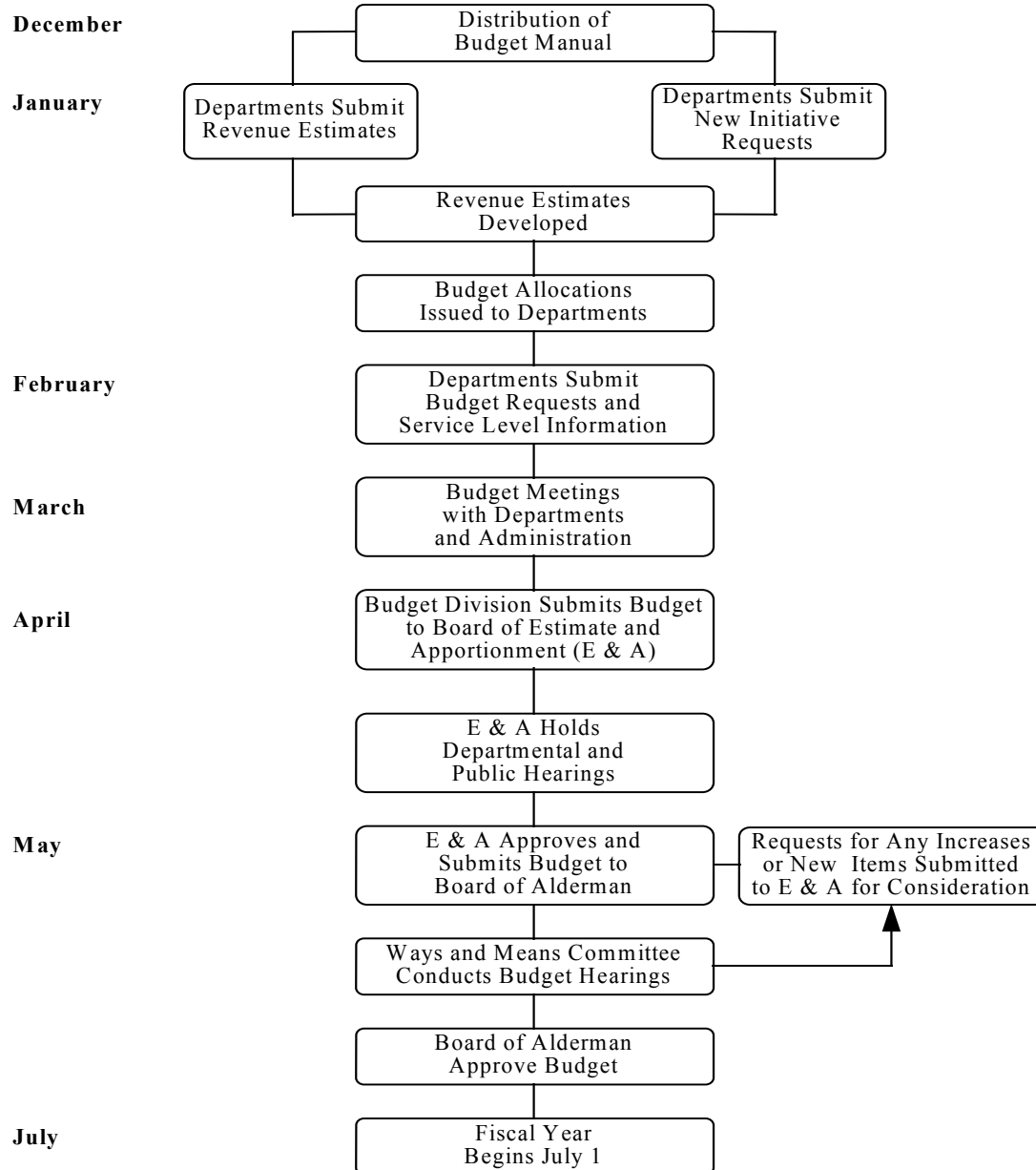
-
- The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or ordinance obligations. The Board of Aldermen may not increase any appropriation amount nor insert new items unless specifically approved by the Board of E&A. (As a general rule, should increases for particular items be desired, the Ways and Means committee will submit a list of items for the Board of E&A to consider, with which it may or may not agree.)
 - If the Board of E&A does not submit its proposed budget to the Board of Aldermen by May 1, the Budget Director would be required to submit a budget directly to the Board of Aldermen.
 - If the Board of Aldermen does not approve a budget by the beginning of the fiscal year, the proposed budget by the Board of E&A or, in its absence, the submission by the Budget Director, shall be deemed to have been approved by the Board of Aldermen.

Budget / Operating Plan Administration

- As needs arise during the fiscal year, limited transfers within or among departments or funds may occur with approval of the Board of Estimate and Apportionment. Any accruing or unappropriated City revenue may be appropriated by ordinance recommended by the Board of E&A and passed by the Board of Aldermen.



BUDGET PROCESS



FINANCIAL AND BUDGETARY POLICIES

The budget document for the City is an Annual Operating Plan serving as the guidebook for the fiscal year. It sets policy, identifies new initiatives and allocates the resources necessary to maintain City services and meet the objectives of the fiscal year.

A summary of the new initiatives and how the budget allocates this year's resources is described in the Executive Summary section of the budget document. Financial and budgetary policies are outlined below.

BUDGET PREPARATION AND ADMINISTRATION

- 1) Annual budgets will be developed for the general and all required special funds by the Budget Division for review by the Board of Estimate and Apportionment
- 2) A five-year expense and revenue projection will be developed for the general fund and the capital improvements fund to match revenue capacity with expenditure needs as a planning and decision making tool.
- 3) Appropriations will be based on reasonable estimates of revenue
- 4) Revenue and expenditures will be accounted for on a cash basis for budgetary purposes
- 5) The City will prepare a Comprehensive Annual Financial Report which it believes will meet all of the guidelines necessary to receive the Certificate of Achievement for Excellence in

Financial Reporting from the Government Finance Officers Association

- 6) Annual budget appropriations will be made in a timely manner. In accordance with the City Charter, the Board of Estimate and Apportionment shall submit a balanced budget proposal to the Board of Aldermen at least sixty days before the beginning of the new fiscal year.

GENERAL FUND BUDGET

- 1) Revenue estimates will be developed for the ensuing fiscal year by the Budget Division, with independent review and commentary provided by the staff of the City Comptroller.
- 2) A revenue manual will be developed and updated annually with information concerning the assumptions underlying the projections.

FINANCIAL AND BUDGETARY POLICIES

GENERAL FUND BUDGET (cont.)

- 3) The City will maintain the unreserved portion of the General Fund Balance at a minimum of 5% of the total General Fund Budget.
- 4) The general fund budget for on-going operations will be developed to match recurring revenues.
- 5) Revenues will be monitored monthly with official review and updates provided to the Board of Estimate and Apportionment on a quarterly basis.
- 6) Apparent shortfalls will be analyzed for their impact on future years.
- 7) Expenditures will be monitored monthly and apparent overspending will be handled on a departmental basis.
- 8) Known cyclical costs such as the 27th pay which occurs every eleven years will be funded at an appropriate amount in each budget.
- 9) Appropriations will be made annually to cover the expenses of the self-insurance fund.
- 10) Each request for a new program must be accompanied by an analysis that shows the long-term impact of the program on existing revenue sources and on existing programs.

CAPITAL IMPROVEMENTS

- 1) The City shall prepare a five-year Capital Improvements Plan and a Capital Budget annually in accordance with its Policy and Procedures Manual.
- 2) The five-year Capital Improvement Plan shall identify sources of funding.
- 3) For major capital projects, an analysis should accompany the proposed projects with information on expected annual operating costs, projected revenue benefits (if any) and any other indirect costs or benefits to the City.
- 4) The City shall fund capital projects with resources made available to the Capital Fund including but not limited to the proceeds from the 1/2 cent sales tax.

CITY DEBT

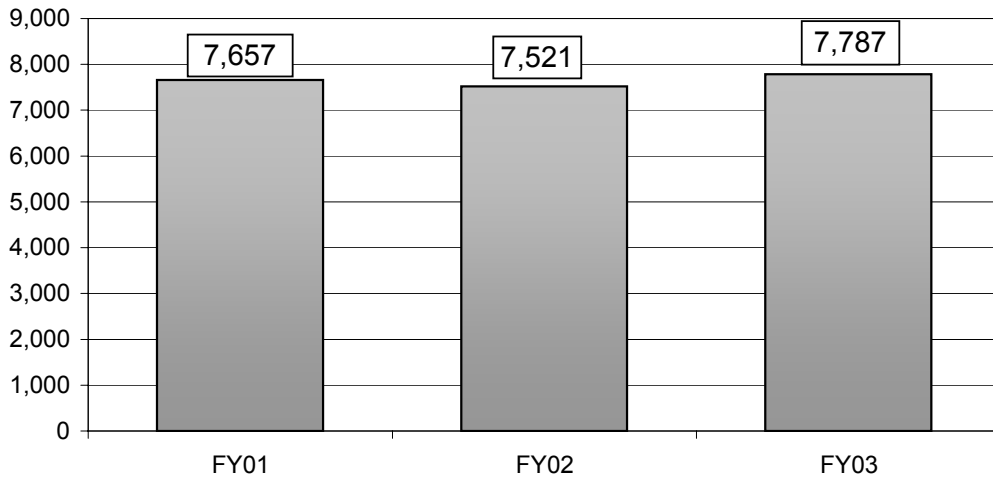
- 1) Bonding should be used to finance or refinance only those long-term assets or projects that benefit a significant portion of citizens in St. Louis and for which repayment sources have been identified.
- 2) The scheduled maturity of bond issues shall not exceed the expected useful life of the capital project or asset financed.
- 3) For property tax supported bonds, the Comptroller will strive for a debt service reserve in an amount not less than the succeeding year's principal and interest requirements. Reserve requirements for other bond issues will be set forth in respective bond covenants.

FINANCIAL AND BUDGETARY POLICIES

- 4) All long term debt shall be structured with prepayment options, except when alternative structures are more advantageous to the City. The City will consider prepayments when available resources are identified.
- 5) Bond refunding shall be considered if one or more of following conditions exist:
 - 1) present value savings of 3% of par value of the refunding bonds
 - 2) bond covenants restrictive or outdated
 - 3) restructuring debt is deemed desirable
- 6) Bond insurance shall be considered when present value of debt service savings is equal to or greater than the insurance premium.
- 7) The City will take all steps necessary to maintain its credit rating on outstanding debt and comply with bond covenants.
- 8) The Comptroller will select underwriters and bond counsel from a pre-qualified list to be revised at least every two years.

PERSONNEL SUMMARY

PERSONNEL TOTALS FY01 - FY03

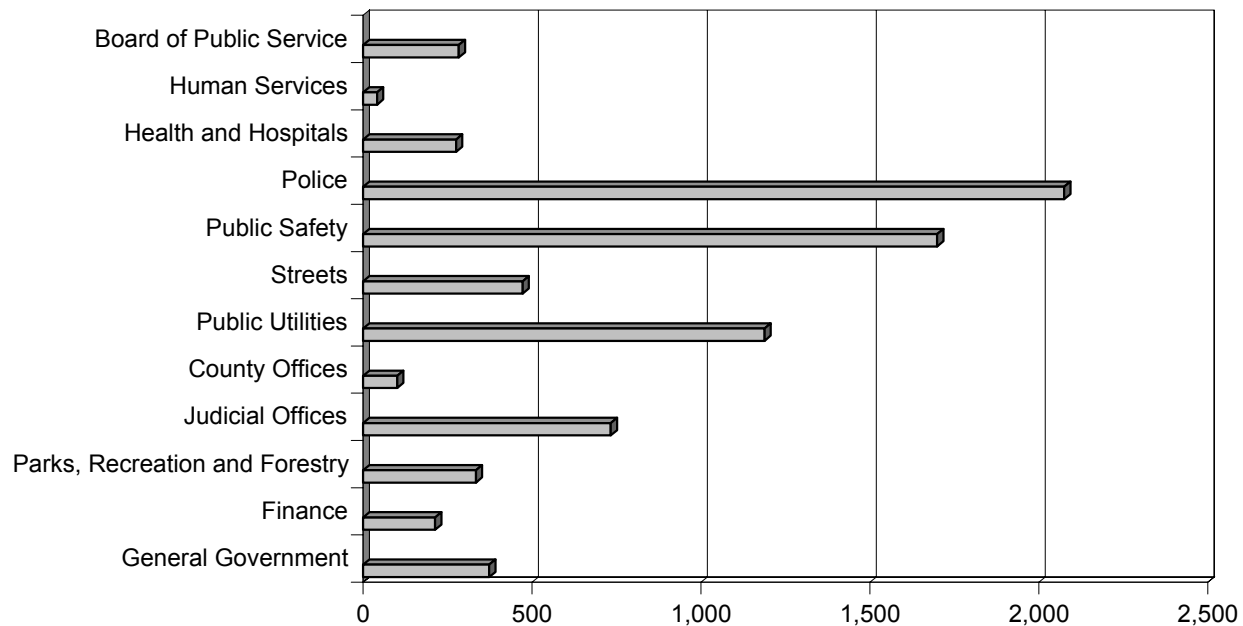


Personnel Trends FY01 - FY03

The total number of budgeted positions for all funds has increased from a total of 7,657 positions in FY01 to a total of 7,787 in FY03, a net increase of 130 positions. The total number of general fund positions has declined over the same period by 105 positions. These net changes in personnel totals are actually comprised of a number of larger changes in various departments. In FY03, the opening of the new City Justice Center will result in the addition of 229 positions in the Corrections Division of the Department of Public Safety. The St. Louis Metropolitan Police Department anticipates the addition of 49 police officers through a Justice Dept. grant. Coupled with other additions arising from efforts such as the new agreement to provide security for the Housing

PERSONNEL SUMMARY

FY03 PERSONNEL TOTALS BY DEPARTMENT

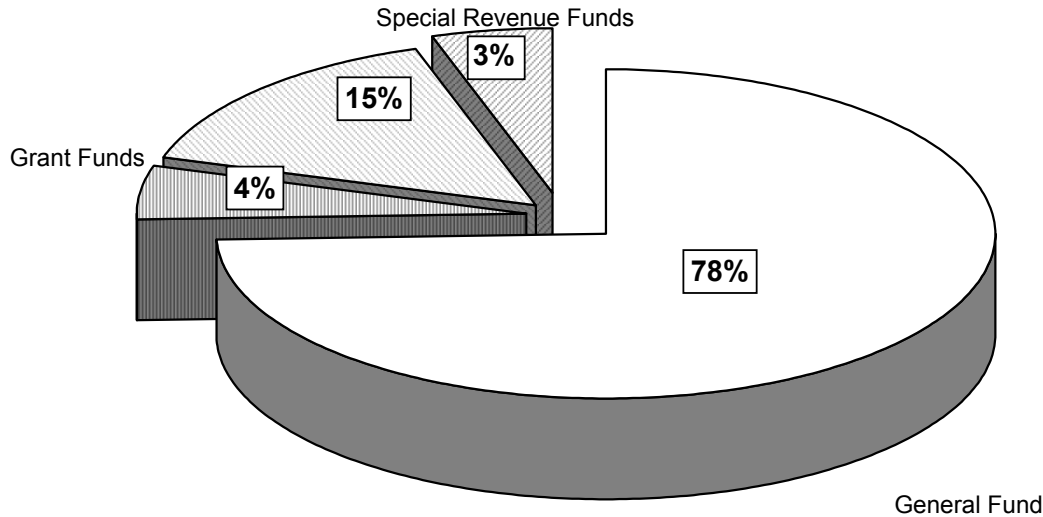


Authorized Full-Time Personnel Totals - By Department All Funds

Department	FY01	FY02	FY03
General Government	377.00	375.00	373.00
Finance	219.00	212.00	213.00
Parks, Recreation and Forestry	349.00	347.00	334.00
Judicial Offices	712.00	718.00	733.00
County Offices	99.00	99.00	101.00
Public Utilities	1,185.00	1,184.00	1,188.00
Streets	475.00	478.00	472.00
Public Safety	1,482.00	1,473.00	1,699.00
Police	2,105.00	2,012.00	2,075.00
Health and Hospitals	340.60	298.00	274.75
Human Services	40.00	41.00	41.00
Board of Public Service	273.00	284.00	283.00
Totals	7,656.60	7,521.00	7,786.75

PERSONNEL SUMMARY

FY03 PERSONNEL TOTALS



Authorized Full-Time Personnel Totals - By Fund

Fund	FY01	FY02	FY03
General Fund	5,899.85	5,787.34	5,794.74
Special Revenue Funds			
Health Care / Housing Trust Funds	0.00	0.00	148.73
Building Demolition Fund	7.00	8.00	10.00
Assessment Fund	80.00	75.00	75.00
Communications Fund	17.00	16.00	18.00
Lateral Sewer Fund	9.20	12.24	12.62
Circuit Attorney - Child Support Unit	19.00	18.00	19.00
1116-9 Special Funds	30.00	40.00	52.50
Riverboat Gaming Fund	13.00	0.00	0.00
Surface Transportation Projects Fund	5.00	5.00	5.00
Street Improvements Fund	30.00	31.00	32.00
Capital Improvements Fund	2.00	0.00	0.00
Tax Increment Financing Fund	1.00	1.00	1.00
Mail Center - Special Fund	5.00	5.00	5.00
Employees Health and Hospital Fund	7.15	7.40	8.15
Grant Funds			
SLATE	32.15	33.00	37.00
Community Development Block Grant	108.75	107.06	111.44
Other Grant Funds	211.20	189.65	271.26
Enterprise Funds			
Water Division	406.00	404.00	391.00
Airport	773.30	781.31	794.31
Totals	7,656.60	7,521.00	7,786.75

CITY DEBT

General

The City of St. Louis is authorized to issue general obligation bonds payable from unlimited and ad valorem taxes to finance capital improvements upon a two-thirds majority vote of the qualified voters voting on the specific proposition. The Missouri Constitution provides that the amount of bonds payable out of tax receipts (which includes bonds payable from special assessments) shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Constitution permits the City to become indebted for an additional 10% of the value of the taxable tangible property for the purpose of acquiring a right-of-way, constructing, extending and improving a sanitary or storm sewer system.

The City is also authorized to issue revenue bonds to finance capital improvements to its water system, sewer system and airport facilities. These types of revenue bonds require a two-thirds vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable solely out of the revenue derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not pledge the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margins resulting from the limitations described above.

The City is also authorized by statute to issue "Tax Increment Financing" obligations pertaining to development projects. In July, 1991, the City issued \$15,000,000 of Tax Increment Revenue Bonds for the St. Louis Marketplace project. Such obligations are secured by increments of revenues attributable to property and other taxes generated by improvements to the project area, and may also be secured by annual appropriations from the City's General Fund. As part of the St. Louis Marketplace financing, the City covenanted to request annual appropriations from the General Fund beginning in fiscal year 1993 to cover any shortfalls in the payments of debt service on these bonds until such time as the aforementioned incremental revenues are at least equal to 150% of the annual debt service payments on said bonds for five consecutive years. According to the Comptroller's office, the City has not covered any shortfalls to date; however there can be no assurances that they will not be called upon to do so in the future.

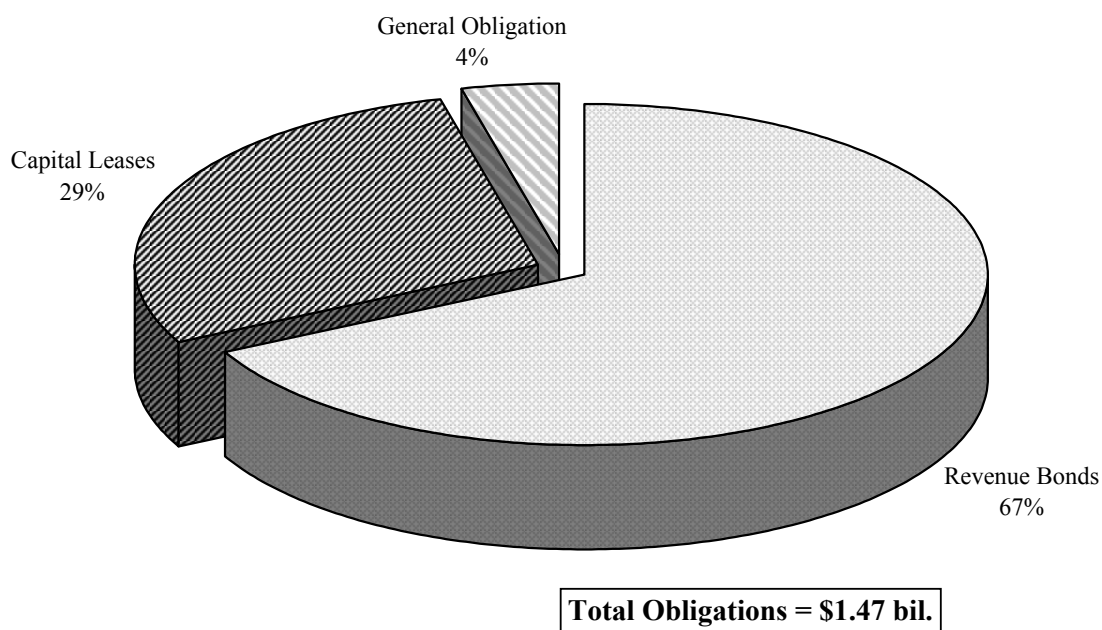
(Excerpts from official statement for Carnahan Courthouse Leasehold Revenue Bonds, Series 2002)

CITY DEBT

Outstanding Debt and Lease Obligations

In addition to those financing mechanisms already discussed, the City uses capital leases as a means of financing major development and construction projects. The City's total outstanding debt and lease obligations at the end of February, 2002 amount to about \$1.5 billion. As illustrated below, two thirds of this amount is in the form of revenue bonds issued primarily by the Airport and to a lesser extent the Water and Parking Divisions.

TOTAL CITY DEBT AND LEASE OBLIGATIONS



Outstanding obligations as of 2/28/02 per Office of the Comptroller

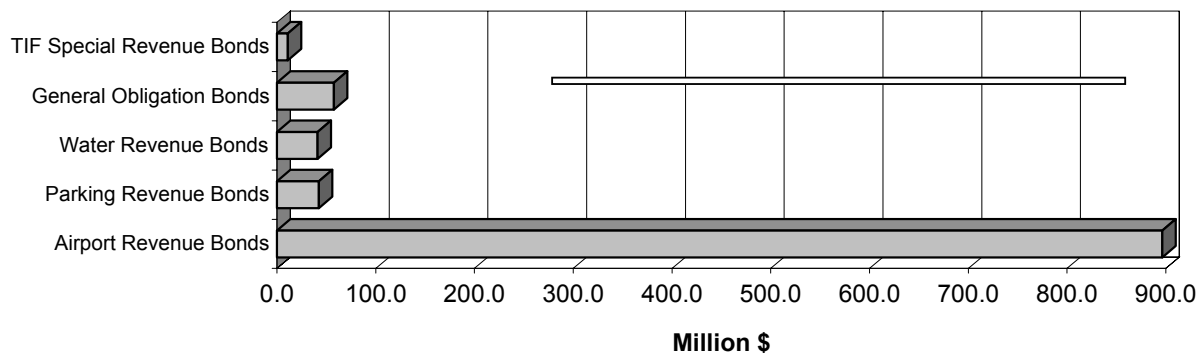
CITY DEBT

General Obligation and Revenue Bonds

Payments on general obligation debt are made from ad valorem property tax and license receipts. In 1999, the City issued \$65 million in general obligation bonds. With the bond proceeds, the City's Fire Department is replacing its existing fire fighting fleet and conducting renovations to its firehouses. The St. Louis Police Department has received funds to upgrade its crime lab and make improvements to its headquarters building on Clark Street. The bonds have also provided \$11 million for the demolition of abandoned and derelict buildings throughout the City. Another debt instrument known as revenue bonds are limited obligations of the City payable solely from the revenues of the department or facility financed by the bonds. By far the largest component of debt in this or any other debt category are the revenue bonds related to the Airport expansion project.

Bond Type	Amount
	Outstanding as of February 28, 2002
General Obligation Bonds	\$57,524,742
Water Revenue Bonds	41,010,000
Parking Revenue Bonds	42,445,000
Airport Revenue Bonds	896,600,000
Tax Increment Special Revenue Bonds	11,002,000
Total	\$1,048,581,742

OUTSTANDING DEBT



CITY DEBT

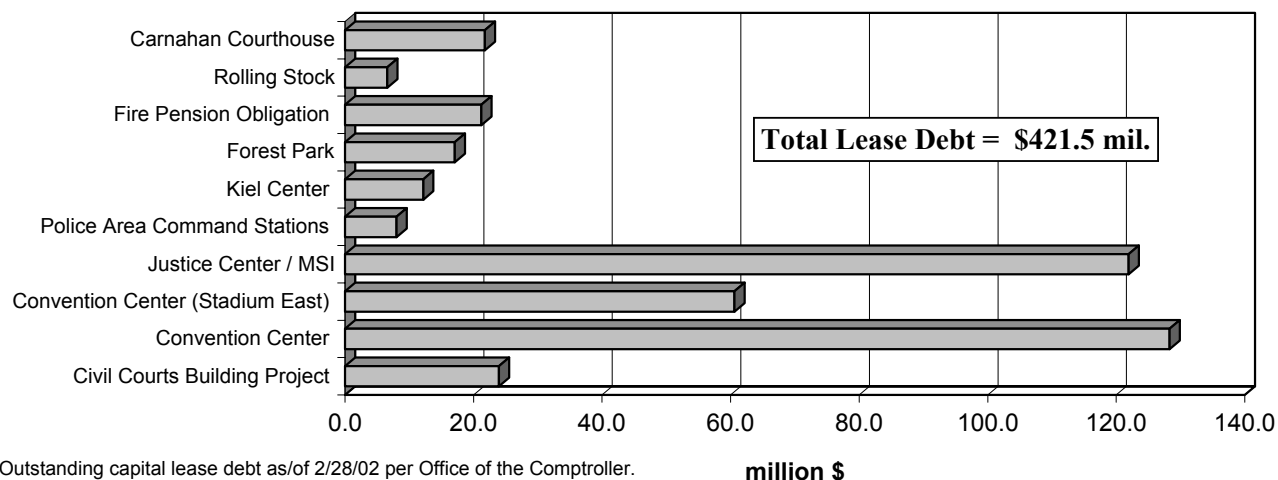
Capital Leases

The City has outstanding a number of lease-purchase agreements which can be characterized as capital leases. In capital lease financing, a non-profit authority issues debt to fund a project. This debt is secured by lease payments to the authority by a municipality leasing the project or equipment that is being financed. A list of the City's major existing agreements as of February 28, 2002 is presented below.

Description	Amount Outstanding April 30, 2001	Remaining Term In Years	Issue Date
Civil Courts Building Project	\$23,945,000	13	Jun-94
Convention Center (East) ¹	60,585,000	19	Feb-97
Convention Center - 1993A	128,282,205	12	Jun-93
Kiel Center Refunding- A	6,730,000	19	Aug-97
Kiel Center Refunding -B	5,445,000	14	Aug-97
Police Area Command Stations	8,015,000	6	Jun-94
Justice Center - 1996A (refinanced in 2001)	12,850,000	6	Aug-96
Justice Center - 1996B	26,135,000	11	Aug-96
Forest Park - 1997	17,080,000	20	Mar-97
Fire Pension Obligation Bonds	21,230,000	7	Apr-98
Justice Center - 2000	20,720,000	18	Feb-00
Justice Center - 2001	62,205,000	17	Sep-01
Carnahan Courthouse	21,750,000	25	Apr-02
Rolling Stock	6,564,633	3	Mar-00
Total	\$421,536,838		

¹ Pertains to the lease financing by the City, County and State of Missouri of an east expansion of the Convention Convention Center. In addition to lease payments, the City has agreed to pay \$1.0 mil. per year in asset preservation funds to the Regional Convention and Sports Authority through the term of the bonds.

CAPITAL LEASE DEBT



Capital Leases (cont.)

CITY DEBT

While General Obligation debt is funded through property tax revenues and revenue debt is paid through the revenues of the project being financed, capital lease debt does not specifically have a dedicated revenue source for making lease payments. These payments are generally obligations of the City's General Fund. In as much as possible, the City has sought to lessen this burden on the general fund by pursuing new sources of revenue that may directly or indirectly be linked to the particular project being financed. The southern expansion of the convention center for instance, was accompanied by the successful propositions of a 1/2 cent restaurant tax and a hotel sales tax, with the idea that these two industries are the most likely beneficiaries of increased convention activity. The civil courts building improvement financing was followed by the imposition of a fee on court cases to help offset the cost of debt service. Likewise, the debt service on the new justice center is being funded in part by reimbursements the City receives from the state for holding prisoners charged with state criminal violations. Police Department and Forest Park improvement leases are funded utilizing 1/2 cent sales tax proceeds that are dedicated to those departments. Of the approximate \$41.4 million in scheduled lease debt payments in FY03, about \$21 million or just over one half of the debt service amount can be linked to direct sources of revenue to the general and capital funds. This does not include those revenues attributable to the net fiscal benefit created by the operation of a project such as the convention center / stadium facility.

Schedule of Lease Debt Payments - FY03	
Cervantes Convention Center - 1993	\$12,908,000
Civil Courts Lease - 1994	2,779,000
Convention Center East / Stadium - 1997 *	6,000,000
Fire Pension Obligation Bonds - 1998	3,129,000
Forest Park Lease - 1997	1,383,000
Justice Center Lease - 1996	5,838,000
Justice Center Lease - 2000	1,868,000
Justice Center Lease - 2001	3,056,000
Kiel Center - 1997	990,000
Police Area Command Stations - 1994	1,393,000
Rolling Stock Lease - 2000	2,099,000
Total	\$41,443,000

* includes asset preservation payment

CITY DEBT

Legal Debt Margin

as of February 28, 2002

	City Purposes Basic Limit	Streets and Sewers Additional Limit
2001 Assessed Value	\$3,263,783,661	\$3,263,783,661
Debt Limit - 10% of Assessed Value	326,378,366	326,378,366
Less: General Obligation Bonds	<u>57,524,742</u>	<u>0</u>
	<u>\$268,853,624</u>	<u>\$326,378,366</u>

Source: Office of the Comptroller, City of St. Louis

Principal and Interest Requirements on Direct Debt

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2001-2002	2,725,000	2,898,000	5,623,000
2002-2003	2,840,000	2,786,000	5,626,000
2003-2004	2,965,000	2,667,000	5,632,000
2004-2005	3,100,000	2,540,000	5,640,000
Thereafter	<u>48,620,000</u>	<u>22,981,000</u>	<u>71,601,000</u>
	<u>\$60,250,000</u>	<u>\$33,872,000</u>	<u>\$94,122,000</u>

Source: Office of the Comptroller, City of St. Louis

CITY DEBT

Debt Ratios

as of February 28, 2002

	<u>Net Debt Per Capita</u>
Direct Debt (incl. Lease debt)	\$1,437
Overall Debt	\$2,043

Source: City of St. Louis Budget Division: based on 2000 U.S. census population of 348,189

The \$65 million in Public Safety General Obligation bonds is the sole outstanding issue of general obligation debt and the City well remains well under the 10% cap established by the Missouri Constitution. Overall net debt for the City remains moderate at about \$2,043 per capita. The City's ability to manage its finances and maintain positive fund balances are key to the City's debt issuance policy. On June 1, 1999, Moody's Investors Service assigned an underlying rating of A3 to the City's pending General Obligation Debt. This was an upgrade from the prior rating of Baa1. On June 2, 1999, Fitch Investor Services also raised its rating to A- from a previous rating of BBB+. Along with a reaffirmed rating of A- from Standard and Poor's Corporation following rating increases in recent years, the City's general obligation bond rating among the major rating agencies remains the strongest it has been in over twenty years.

CITY OF ST. LOUIS PROFILE

The City of St. Louis is located on the Mississippi River, the eastern boundary of the State of Missouri, just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land and its area has remained constant since 1876. The City, a constitutional charter city not part of any county, is organized and exists under and pursuant to its Charter and the Constitution and the laws of the State of Missouri.




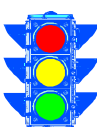



The City is popularly known as the "Gateway to the West," due to its central location and historic role in the nation's westward expansion. Commemorating this role is the 630-foot stainless steel Gateway Arch, the world's tallest man-made monument, which is the focal point of the 86-acre Jefferson National Expansion Memorial on the downtown riverfront.



City of St. Louis

Date of Incorporation	1823
City Charter Adopted	1914
Form of Government	Mayor/Council
Population (2000)	348,189

City Government By The Numbers

Wards	28		Parks	105	
Precincts	374		Park Acreage	3,000	
Registered Voters	177,844		Recreation Centers	9	
			Golf Courses	3	
Authorized No. Fire Fighters	631		Streets (miles)	1,100	
Fire Stations	30		Alleys (miles)	400	
Auth. No. Police Officers	1,503		Intersections w/ Signals	630	
Auth. No. Civ. Police Emp.	572		Street Lights	51,500	
Police Area Command Bldgs.	3		Alley Lights	16,000	
			Easement Lights	2,100	
Airport - Major Airlines	10		Water Treatment Plants	2	
Airport - Commuter Airlines	10		Mil. Gal. capacity per day	340	
Airport - Air Cargo Carriers	6		Mil. Gal. storage capacity	128	
Airport - Passengers (mil.)	29.9		Mil. Gal. daily demand	140	
Aircraft Operations	483,941				

Sources: Comptroller's Annual Report, City Departments

CITY OF ST. LOUIS PROFILE

City Economic Data



Personal Income 1998: \$26,332

Avg. Labor Force - Feb. 2002 155,793
 Avg. No. Employed - Feb. 2002 143,330
 Avg. % Unemployed - Feb. 2002 8.0%

Source:
 Missouri Dept. of Economic Development

City Building and Construction (Activity in mil. \$)



	Housing Value		Com./Ind.
	<u>New</u>	<u>Rehab</u>	<u>Dev.</u>
1997	\$15.57	\$19.70	\$177.98
1998	\$18.13	\$21.70	\$234.45
1999	\$31.24	\$19.55	\$205.60
2000	\$33.59	\$49.85	\$431.88
2001	\$24.63	\$42.01	\$431.88

Source: Building Division, City of St. Louis

Top 15 Employers - 2000 (excluding City of St. Louis)



<u>Company</u>	<u>Employees</u>
BJC Health Systems	15,772
Washington University	11,363
St. Louis Board of Ed.	8,668
St. Louis University	8,551
U. S. Postal Service	8,313
State of Missouri	7,143
Southwestern Bell	6,911
Anheuser Busch	6,322
A. G. Edwards	6,025
May Dept. Stores	5,805
Tenet Healthsystems	5,189
Schnucks	4,282
Bank of America	4,137
Natl. Finance Center	3,314
SSM Health Care	2,679

Source: City of St. Louis Col. of Revenue



City Employment By Industry Group - 4th Quarter, 2000

<u>Job Sector</u>	<u>Emp.</u>	<u>% of Total</u>	<u>Job Sector</u>	<u>Emp.</u>	<u>% of Total</u>
Services	83,946	33.5%	Transport., Comm. &		
Manufacturing	34,864	13.9%	and Public Utility	21,589	8.6%
Government	41,295	16.5%	Wholesale Trade	13,720	5.5%
Retail Trade	26,256	10.5%	Construction	7,926	3.2%
Finance	20,170	8.1%	Other	636	0.3%
			Total All Groups	250,402	100.0%

Source: Missouri Dept. of Labor and Industrial Relations

CITY OF ST. LOUIS PROFILE










America's Center - Convention Center

Contiguous Exhibit Space - sq. ft.	502,000
Flexible Meeting Rooms	84
3-Level Lecture Hall - Seats	1,411
Grand Ball Room - sq. ft.	28,000
Downtown Hotel Rooms (approx.)	5,500



Source: *America's Center*

Largest Tourist Attractions

	2001 Attendance	
Jefferson National Expansion Memorial (Arch)	3,961,354	
St. Louis Baseball Cardinals (MLB)	3,113,091	
St. Louis Zoo	2,700,000	
President Casino on the Admiral	1,800,000	
St. Louis Science Center	1,585,245	
St. Louis Blues Hockey (NHL)	800,319	
St. Louis Art Museum	676,774	
St. Louis Rams Football (NFL)	660,000	
Missouri Botanical Garden	495,000	
The Fox Theatre	484,736	
St. Louis Symphony Orchestra	400,000	
The Municipal Opera (Muny)	423,209	

Source: *St. Louis Business Journal*



GLOSSARY

Affordable Housing Trust Fund

Fund created in 2001 from a portion of receipts of the local use tax. Funds are dedicated to providing for the development and preservation of affordable and accessible housing in the City. Loan and grant programs are administered by the Affordable Housing Commission.

Airport, City of St. Louis

An enterprise fund used to account for the revenues and expenses of Lambert-St. Louis International Airport. The Airport is owned by the City of St. Louis and operated by an Airport Commission. The use of Airport revenues, derived primarily from airline payments for use of the facilities, parking fees and interest earnings, are limited to purposes of the Airport.

Aldermen, Board of

28 elected individuals representing the 28 wards of the City and a President elected citywide who make up the City's legislative body.

Appropriation

A legal authorization to make expenditures and incur obligations for specific purposes.

Assessment

The valuation of property for the purpose of taxation.

Assessment Fund

Fund which supports the operations of the Assessor's office.

Balanced Budget

A budget in which resources available for appropriation equal or exceed planned expenditures.

Battered Persons Shelter Fund

Established by ordinance in 1992, the Battered Persons Shelter fund is used solely for providing operating expenses for shelters for battered persons. The fund is supported by a \$1.00 fee imposed on municipal ordinance violations cases filed in municipal court.

**Budget**

A financial plan based on anticipated revenues and expenditures for a given period.

Building Demolition Fund

Fund established to finance the demolition and board-up of dangerous buildings. The Building Demolition Fund is funded through a fee of \$2.00 per \$1,000 estimated value of any building permit issued by the City.

Capital Improvements Fund

Fund for long-term improvements and maintenance of the City's infrastructure and/or acquisition of equipment or property for public use.

Capital Improvement Sales Tax Trust Fund

Fund established for revenues received from the one-half cent sales tax for capital improvements. This fund consists of the following five accounts: Ward Capital Improvements Account (50%), Major Park Capital Improvements Account (17%), Recreation Center Capital Improvements Account (3%), Citywide Capital Improvements Account (20%) and Police Department Capital Improvements Account (10%).

Child Support Unit (Parent Locator Fund)

State supported fund through which the Circuit Attorney's Office conducts its program for recovering child support payments.

Columbia Bottoms Fund

Fund established to account for transactions relating to Columbia Bottoms, a parcel of land along the Missouri River which the City owns and leases out for private farming. With the recent sale of most of the property to the Missouri Department of Conservation, activity in this fund has been significantly reduced.

Communications (Cable) Fund

Fund established for the purpose of overseeing the cable television and communications industry in the city and establishing and managing a government access channel and necessary studio facilities. The Cable Division is funded through a 5% franchise fee imposed on Cable operators.

Community Development Agency

City agency responsible for planning and implementing the housing and economic development plans of the City of St. Louis. CDA also oversees operation, administration and programmatic and compliance monitoring of the Community Development Block Grant program as well as other federal housing programs.

**Convention and Tourism Fund**

Fund established to foster and promote the City's convention and tourism industry. Expenditures from the fund are approved by members of the C & T Board consisting of the Mayor, the Comptroller and the President of the Board of Aldermen.

Convention and Sports Facility Trust Fund

Fund established to help pay for the construction of the convention center expansion project. Revenues to the fund consist of the 3.5% gross receipts tax on hotel/motel receipts. These revenues are transferred to the City's General Fund and used to help pay the City's debt on the convention facility.

Debt Service

Expenditures for principal and interest payments on loans, notes and bonds.

Debt Service Fund

Fund used to specifically track payments of principal, interest and expenses on general obligation debt.

Department

Major unit of organization in the City comprised of subunits called divisions.

Employee Health & Hospital (Benefits) Fund

A fund financed jointly by the City, its employees and retirees to ensure adequate health and hospital care for employees and retirees of the City. The income for this fund is derived from appropriations made in other City funds.

Encumbrance

An obligation for which payment is anticipated but has not yet been made. Typically encumbrances represent outstanding purchase orders or contracts. The funds appropriated for these expenses are set aside in a reserve for payment. An item will remain an encumbrance until the obligation is paid or otherwise released.

Enterprise Fund

A fund used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges. The City's Airport, Water and Parking Meter Divisions are enterprises.

**Estimate and Apportionment, Board of**

The City's chief fiscal body - comprised of the Mayor, the Comptroller and the President of the Board of Aldermen.

Expenditure

Money actually spent by the City for the programs and projects included in the approved budget.

Federal Mandate

A regulation or requirement imposed on state or local governments by the Federal government. Federal mandates include the Clean Air Act, Clean Water Act, Americans with Disabilities Act and Underground Storage Tank Regulations.

Fiscal Year

Twelve month period to which the budget applies. In St. Louis this is July 1 to June 30.

Fund Balance

The level of funds remaining as measured generally at the conclusion of a fiscal year, after allocating for all encumbrances and other commitments. The fund balance often includes reserves set-aside to meet future obligations, (e.g. 27th pay reserve, rainy day reserve). From a fiscal policy standpoint, emphasis is often placed on the level of "unreserved" fund balance as an indicator of fiscal stability. The City's policy is to achieve and maintain an unreserved general fund balance at a minimum of 5% of the general fund budget.

General Fund

The main operating fund of the City.

Health Care Trust Fund

Fund created in 2001 from a portion of receipts from the local use tax. Funds are dedicated to providing public health care services within the City of St. Louis

Lateral Sewer Repair Fund

Fund established in 1989 to provide the cost of the repairs of leaking lateral sewer service lines on residential properties. The Lateral Sewer Repair Program is funded by a \$28.00 annual fee on all residential property having six or less dwelling units.

Local Use Tax

Approved by City voters in April, 2001, the local use tax is a tax imposed on purchases made from out of state vendors. The local use tax rate is equal to the City's local sales tax rate. Proceeds from the local use tax are allocated to two special funds known as the Health Care Trust Fund and the Affordable Housing Trust Fund.

**Parking Funds**

Funds used to track revenues and expenses of the Parking Meter Division and Kiel Parking Facility. Both of these operations are managed as separate enterprise funds by the Treasurer's Office.

Port Authority Fund

Fund established to manage all phases of the harbor and wharves operation including enforcement of all regulations with the guidance of a Port Development Commission.

Program

A set of activities conducted by a department or division to provide a specific service.

Property Tax

A tax levied on the assessed value of property (e.g. personal, real estate).

Public Facilities Protection Corporation

A not-for-profit corporation established to provide the City with Surety Bond and Insurance coverage and general protection from judgements rendered against the City. Each year the City makes a contribution to PFPC out of the General Fund.

Revenue

Income received by the City government from sources, such as taxes, fees, user charges, grants and fines, which is used to support the government's facilities and services to the community.

Riverboat Gaming Fund

Fund established to account for revenues from riverboat gaming. Appropriations from this fund are used for three primary purposes, 1) public safety on the riverfront, 2) capital expenditures (i.e. local bridge match, etc.) and 3) economic development. Revenue from riverboat gaming leases is received through the Port Authority Fund.

Special Revenue Fund

A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

St. Louis Rams Practice Facility Fund

Fund established in 1995 to pay the debt on the City's \$5.0 million contribution to the construction of a practice facility for the St. Louis Rams football team. Revenues to the fund are derived from the City's 5% gross receipts tax on admissions to NFL football games. With retirement of the debt on the practice facility in FY01, this fund has become inactive. Amusement tax revenues from NFL games are now deposited directly into the City's general fund.

**Street Improvement Fund (St. Louis Works)**

A street and sidewalk improvement program funded primarily from a portion of City utility taxes and State motor vehicle sales tax revenues. St. Louis Works funds are appropriated under a separate ordinance on a calendar year basis.

Tax Incremental Financings

Funding mechanism that uses the tax benefits generated by a development to pay the debt for improvements related to the development.

Transportation Fund

Fund used to account for revenues and appropriations from the 0.5% transportation sales tax and the 0.25% metrolink sales tax. All revenues into the transportation fund are currently appropriated to the Bi-State Development Agency that operates the regional mass transit system.

Trust and Agency Funds

Funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or funds.

Twenty-Seventh Pay Reserve

Reserve set aside for fiscal years in which a 27th pay day occurs. With bi-weekly pay periods, a 27th pay day will occur once every 11 years. A 27th pay day last occurred in FY95 and will occur again in FY06.

User Fees

Fees paid directly by citizens for a service used (i.e. park fees, bus fares).

Water Division Fund

An enterprise fund used to account for the revenues and expenses of the Water Division, which is owned and operated by the City and funded primarily through water sales.